



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

July 20, 2012

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael Antonovich

From: William T Fujioka  
Chief Executive Officer

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## THIRD STATUS REPORT ON THE CHILD CARE POLICY FRAMEWORK

On March 29, 2011, the Board adopted the updated Child Care Policy Framework and a series of related recommendations. As a part of that action, the Office of Child Care, within the Service Integration Branch of the Chief Executive Office (CEO), was directed to provide status reports in July and January of each year through 2013. This is the third status report on the implementation of the Child Care Policy Framework, covering the period of February 1 through June 30, 2012.

**Goal 1.** The quality of child development services in Los Angeles County will be improved as the Steps to Excellence Project (STEP) is expanded and support services to STEP participants are intensified.

STEP is a child care quality rating and support system developed by the Policy Roundtable for Child Care (Roundtable), and administered by the Office of Child Care. The pilot phase of STEP was funded primarily by First 5 LA from August 2008 through November 2011.

The second phase of STEP is supported by funding from Los Angeles Universal Preschool (LAUP). Since the Board's adoption of the LAUP contract in December 2011, STEP has succeeded in reconnecting with programs that had expressed interest in STEP and recruiting new participants. Between April and July 2012, STEP observations were conducted in 49 child development programs, including 11 child development centers and 38 family child care homes. Also during this period, 27 programs attended STEP orientation sessions, learning about the benefits and expectations for STEP participants. Currently, 425 programs are enrolled in STEP.

The Office of Child Care has also been working intensely with the California Department of Education/Child Development Division (CDE), to plan for the implementation of the Race to the Top Early Learning Challenge Grant. CDE was awarded \$52.6 million in December 2011 and these funds will support 17 local quality rating and improvement systems (QRIS) throughout

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California. In Los Angeles County, STEP and LAUP will each receive \$5,149,500 over four years. While STEP and LAUP will operate their Race to the Top projects separately, they will use a common child care rating matrix. Quarterly meetings will be conducted to address issues, avoid duplication, and maximize the impact of this time-limited resource. Both organizations submitted their Work Plans on May 25, 2012.

Also on May 25, 2012, the Office of Child Care received an "intent to fund" communication from CDE stating that funds could not be released until the state budget was signed and that the planning allocation for the period of January 1 through December 31, 2012, would be combined with the first year implementation funding amount. The term of the implementation funds is July 1, 2012 through June 30, 2013. A formal request to accept these funds will be submitted for your consideration when the documents are received.

**Goal 2.** Local, State, and Federal policies and budgets will strengthen the child development infrastructure and support the expansion of high quality child development services that integrate family support, health, mental health, and other relevant services into their operations.

Given California's ongoing budget situation, efforts during this period were focused more on "preserving" than "expanding" high quality child development services. The Roundtable worked collaboratively with the CEO's Intergovernmental and External Affairs, the Child Care Planning Committee, various Board offices, and community stakeholders to monitor budget proposals and prepare impact statements.

Governor Brown's January budget proposal for 2012-13 included child development reimbursement rates that were significantly below the actual cost of providing care, eligibility ceilings that eliminated assistance well before families could afford the full cost of care, and parents enrolled in school or training were not eligible for child development subsidies. In addition, the Governor proposed to restructure child care and development (except Part-day State Preschool) by shifting administration from the CDE to county welfare departments effective fiscal year 2013-14. While the Governor's May Revise contained modifications to his original proposal for significantly reducing funding for child care and development services, his overall plan to shift most services to the county welfare programs remained intact.

These proposals were not well received by a variety of stakeholders. The Los Angeles County Board of Supervisors' motion and resulting letters to the Governor and Legislative delegation urging that subsidized services remain with CDE weighed heavily in the debate.

The legislature rejected the Governor's proposal to significantly alter the administration of subsidized child care and development services and sought other means for achieving cost savings. The following is a brief summary, highlighting key decisions in the adopted budget affecting child development services:

- Funds all State Preschool (e.g. Part-day) slots within Proposition 98; the Superintendent of Public Instruction is required to encourage State Preschool contracting agencies to offer wraparound general child care and development services for the remainder of the day or year to meet the needs of eligible parents.

- Requires fees to be assessed and collected for families participating in Part-day State Preschool, as well as, wraparound child care services and other child care and development services.
- Reduces contract amounts for General Child Care, Migrant Day Care, the Alternative Payment (AP) Program (see note below regarding additional reduction to the AP Program), CalWORKs Stage 3 Child Care, and the Allowance for Handicapped Program by 8.7 percent effective July 1, 2012.
  - CDE may consider the contractor's performance and whether the contract serves children in underserved areas when determining contract reductions; however, the aggregate reduction must be achieved.
  - As of July 1, 2012, programs are to dis-enroll families beginning with the highest income family relative to family size followed by families with the same income but enrolled the longest are to be dis-enrolled second. Families with children receiving child protective services or deemed at risk for neglect or abuse, regardless of family income, are lowest priority for dis-enrollment.

In addition, the Governor implemented his line item veto implementing deeper cuts to child development services than was negotiated with the Legislature. These reductions include:

- Reduced funding for Part-day State Preschool by 5.8 percent, eliminating an additional 12,500 slots statewide.
- Reduced funding for the AP Program by an additional 9.2 percent, eliminating approximately 3,400 slots for 2012-13.
- Eliminated State augmentation for supplemental child nutrition reimbursement to private child care centers.

Attachment I compares allocations for child care and development in 2011-12 with 2012-13.

**Goal 3.** County departments will work collaboratively with each other and community partners to maximize the utilization of available resources, support quality improvements, and promote the delivery of integrated services for children and their families. Particular emphasis will be placed on connecting the following populations to child development resources and when appropriate, early intervention services:

- CalWORKs families who are homeless and have young children
- Children under the supervision of the Department of Children and Family Services (DCFS) and Probation Department, including those in foster care, kin care, and with their families
- Teen parents under the jurisdiction of DCFS and/or the Probation Department.

At their June 13, 2012 meeting, members of the Roundtable and representatives of the Service Integration Branch Housing and Homeless Initiatives responded to "*Children and Families Experiencing Homelessness in Los Angeles County*," a document prepared for the Roundtable.

This document was informed by a December 2011 meeting with representatives of the County Departments of Mental Health, Public Social Services, CEO, and representatives of the Roundtable. The document highlights the unique needs of young children who experience the trauma of homelessness and the scarcity of appropriate services available to them. As a result of this discussion, the Roundtable offered to assist in the development of the County's Regional Homeless Family Solutions Centers.

In addition, a meeting has been scheduled with representatives of Senator Carol Liu, the Service Integration Branch, and the Roundtable to respond to the Senator's interest in the report and possible action.

The Office of Child Care will be directing the Race to the Top Early Learning Challenge Grant (described on page 1) to child development programs serving children participating in the DCFS Alternative Payment Program (APP). Under this type of subsidy program, the parent or guardian is able to enroll the children in a licensed, community-based child development center or family child care home. Children who have experienced the trauma of abuse and/or neglect often present challenging behaviors. The Race to Top Early Learning Challenge Grant will provide on-site coaching, training, program observations and ratings, and financial incentives to these child development programs. These intensive supports can positively impact the quality of care provided to children and have the potential to improve child outcomes.

In an effort to promote the value of high quality child development services and maximize the use of these resources, the Office of Child Care provided a workshop to DCFS staff at the Compton office and distributed copies of "*For Teen Parents: A Guide to Child Care and Development Programs*." Participants reported that the discussion of resources was particularly helpful to line staff. In addition, the CEO and Roundtable are members of the Los Angeles Partnership for Strengthening Families, a collaborative response to a Federal funding opportunity aimed at strengthening the child welfare-child development connection and promoting protective factors among DCFS client families.

**Goal 4.** County departments will work collaboratively with the Los Angeles County Office of Education, key school districts, and community-based child development services to integrate services, thereby supporting effective:

- Articulation between child development and kindergarten
- Design of developmentally appropriate transitional kindergarten programs
- Identification and utilization of new or nontraditional funding

At their annual retreat on July 11, 2012, the Roundtable agreed to address this goal during the 2012-13 year. Broad scale implementation of transitional kindergarten, while threatened during budget negotiations, is now underway.

During this time of shrinking resources, there is increasing interest in encouraging school districts to use Title I funds for early education services. The Roundtable will also be reviewing this issue in the coming months.

**Goal 5.** The CEO will facilitate County department efforts to work internally, across departments and with community partners, to integrate the Strengthening Families Approach (SFA) and Protective Factors into their work with children, families, and communities; and engage families in high quality child development services. The CEO, with assistance from the Center for the Study of Social Policy and key local partners, will establish a multidisciplinary SFA learning community designed to support ongoing professional development and SFA projects that are underway or emerging in County departments.

Ten County departments are participating in the Los Angeles County Strengthening Families Learning Community. As previously reported, the Learning Community was launched on January 26, 2012. A conversation during that meeting resulted in a collaborative project between Mental Health and the Public Library. This collaboration, known as the Mental Health Parenting Program, will bring a new level of parent supports to families in Los Angeles County.

The Learning Community is reviewing how the five Protective Factors can be integrated into the work of each department for the purpose of supporting families, buffering risk and promoting the optimum development of all children. There has been significant interest in the Learning Community, both from local funders and state agencies.

## **Conclusion**

Despite the fiscal challenges confronting families, communities and government, progress has been made on implementing the Child Care Policy Framework. Should your staff have questions regarding this report, they can contact Trish Ploehn at (213) 974-4532 or [tploehn@ceo.lacounty.gov](mailto:tploehn@ceo.lacounty.gov)

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LB:KMS:km

Attachment

c: Executive Office, Board of Supervisors  
County Counsel

# Attachment I - Comparison between 2011-12 Budget and Proposed 2012-13 Budget

| Program   | 2011-12 Budget Act <sup>i</sup> | Proposed 2012-13 Budget <sup>ii, iii</sup> |
|---|---------------------------------|--|
|   | Total                           | State/CCDF                                 |
| <b>Proposition 98 General Fund</b>                      |                                 |  |
| State Preschool   | \$373,695,000                   | \$481,003,000 <sup>iv</sup>                |
| <b>Non-Proposition 98 General Fund</b>                  |                                 |  |
| General Child Development                               | \$685,923,000                   | \$464,913,000                              |
| Migrant Child Care                                      | \$29,085,000                    | \$26,056,000                               |
| Alternative Payment (AP) Program                        | \$216,586,000                   | \$174,031,000 <sup>v</sup>                 |
| CalWORKs Stage 2 (AP)                                   | \$442,456,000                   | \$419,286,000                              |
| CalWORKs Stage 3 (AP)                                   | \$145,955,000                   | \$148,425,000                              |
| Resource and Referral Programs                          | \$18,688,000                    | \$18,688,000                               |
| Handicap Allowance                                      | \$1,620,000                     | \$1,452,000                                |
| CA Child Care Initiative                                | \$225,000                       | \$225,000                                  |
| Quality Improvement (see Table 2 for allocation detail) | \$49,654,000                    | \$49,490,000                               |
| Local Planning Councils                                 | \$3,319,000                     | \$3,319,000                                |
| Accounts Payable  | \$4,000,000                     | \$4,000,000                                |
| <b>Non-Proposition 98 Sub-total</b>                     | <b>\$1,597,511,000</b>          | <b>\$1,309,885,000<sup>vi</sup></b>        |
| Child Care Facilities Revolving Fund                    | \$5,000,000                     | \$5,000,000                                |
| Cost of Living Adjustment (COLA)                        | \$0                             | \$0  |
| Growth  | \$0                             | \$0  |
| <b>Proposition 98 and non-Proposition 98 Sub-total</b>  | <b>\$1,976,206,000</b>          | <b>\$1,795,888,000</b>                     |
| <b>Learning Supports</b>                                |                                 |  |
| After School and Education Safety Program               | \$547,066,000                   | \$547,025,000                              |
| 21 <sup>st</sup> Century Community Learning Centers     | \$157,605,000                   | \$143,949,000 <sup>vii</sup>               |
| Cal-SAFE Child Care                                     | \$24,778,000                    | \$24,778,000                               |
| Pregnant Minor Program                                  | \$13,327,000                    | \$13,327,000                               |
| <b>Learning Supports Totals</b>                         | <b>\$742,776,000</b>            | <b>\$729,079,000</b>                       |
| <b>California Community Colleges<sup>viii</sup></b>     |                                 |  |
| Special Services for CalWORKs Recipients                | \$26,695,000 <sup>ix</sup>      | \$26,695,000 <sup>x</sup>                  |
| Campus Child Care Tax Bailout                           | \$3,350,000 <sup>xi</sup>       | \$3,350,000 <sup>xi</sup>                  |
| <b>Other</b>  |                                 |  |
| State Advisory Council on Early Childhood Development   |                                 | \$162,000 <sup>xiii</sup>                  |
| Race to the Top-Early Learning Challenge Fund           |                                 | \$10,059,000 <sup>xiv</sup>                |

<sup>i</sup> SB 87 (Chapter 33, Approved June 30, 1011).

<sup>ii</sup> AB 1464, Chapter 21: 2012-13 Budget, Approved: June 27, 2012; 6110-196-0001.

<sup>iii</sup> AB 1497, Chapter 29: Budget Act of 2012, Approved: June 27, 2012; 6110-194-0001.

<sup>iv</sup> The Governor used his line item veto authority to reduce funding for Part-day State Preschool by \$30 million. Of the total allocation for State Preschool, \$5 million is available for the family literacy supplemental grant.

<sup>v</sup> The Governor used his line item veto authority to reduce funding to the AP Program by an additional \$20 million.

<sup>vi</sup> Of the \$1.3 billion in non Proposition 98 General Fund, \$559 million is federal funds.

<sup>vii</sup> Of the funding allocation to 21<sup>st</sup> Century Community Learning Centers, \$22,382,000 is one-time carryover from prior years payable from the federal trust fund.

<sup>viii</sup> AB 1497, Chapter 29: Budget Act of 2012, Approved: June 27, 2012; 6870-101-0001.

<sup>ix</sup> For recipients transitioning from welfare to self-sufficiency through coordinated services offered at community colleges, including work study, educational related work experience, job placement, child care services, and coordination with county welfare office to determine eligibility and availability of services.

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<sup>xi</sup> For community college child care and development programs.

<sup>xii</sup> For community college child care and development programs.

<sup>xiii</sup> AB 1464, Chapter 21: 2012-13 Budget, Approved: June 27, 2012; 6110-1996-0001.

<sup>xiv</sup> AB 1464, Chapter 21: 2012-13 Budget, Approved: June 27, 2012; 6110-200-0001.